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8 **IN THE SUPERIOR COURT OF THE STATE OF ARIZONA**

9 **IN AND FOR THE COUNTY OF MARICOPA**

10 STATE OF ARIZONA, *ex rel.* THOMAS C.
HORNE, Attorney General,

11 Plaintiff,

12 vs.

13 MAURICE J. CHELLIAH aka Butch Chelliah,
14 individually and as a member of defendant
Suki Enterprises, LLC dba ES Payment
15 Systems aka Easy Street Merchants and dba
16 True Success Business Ventures aka True
Success Solutions; and as an
17 officer/director/owner of defendant Draycott
18 Company, Inc. dba Advisor's Choice Network,
Inc., a California Corporation; and
19 FLORENCE N. CHELLIAH, husband and
20 wife;

21 KYLE A. EVANS, individually, and as a
member of defendant Fast Website Marketing,
22 LLC; also dba CGF Enterprises, LLC, dba My
Choice Business Services, dba Franklin
23 Financial and as the husband of defendant
24 Chalonne Foerster;

25 VANESSA FITZGERALD, individually, and
as a member of defendant Suki Enterprises,
26 LLC dba ES Payment Systems aka Easy Street

Case No.: CV2012-009716

**FIRST AMENDED COMPLAINT AND
APPLICATION FOR TEMPORARY
RESTRAINING ORDER, PRELIMINARY
INJUNCTION AND OTHER RELIEF**

**(Consumer Fraud; Violations of Telephone
Solicitations Statute; Civil Racketeering)**

Assigned to the Hon. Lisa Daniel Flores

1 Merchants, and dba True Success Business
2 Ventures aka True Success Solutions; and as
the wife of defendant Patrick V. Passarelli;

3 CHALONNE M. FOERSTER, aka Chalonne
4 M. Lucas, Chany Foerster, Charline Federal,
5 Chalonne Foerster, individually, and as a
6 member of defendant F Marketing Limited
7 LLC and defendant Suki Enterprises, LLC dba
8 ES Payment Systems aka Easy Street
9 Merchants; also dba True Success Business
10 Ventures aka True Success Solutions; dba
Franklin Financial Solutions; dba My Choice
Business Services and dba CGF Enterprises,
LLC, and as the wife of defendant Kyle A.
Evans;

11 COLLEEN G. FOERSTER, individually, and
12 as managing member of defendant CGF
13 Enterprises, LLC, a Nevada corporation and
dba Pro Marketing Solutions;

14 MICHAEL ANTHONY MACERA,
15 individually and as a member of ChoiceAdz,
16 LLC and Jane Doe Macera, husband and wife;

17 DON MAGUIRE, individually and dba
18 Success West Financial, LLC; and Jane Doe
Maguire, husband and wife;

19 ROBERT JOHN MILLER, individually, and
20 dba D.W. Scott, LLC; dba The Economic
21 Freedom Corporation; dba The Economic
22 Freedom Group, and dba DBB Marketing
Solutions;

23 MELISSA SUE ODLE, aka MELISSA SUE
24 ANDERSON, aka MELISSA SUE
25 GOSHORN individually, and as a managing
26 member of defendant MS Enterprises, LLC; a
member of defendant Sagamore Marketing
Solutions, LLC; dba Innovative Marketing

1 Strategies, LLC, dba MSO Enterprises, and as
2 the wife of defendant Brian Scott Odle;

3 BRIAN SCOTT ODLE, individually, and as a
4 member of ChoiceAdz, LLC; dba Innovative
5 Marketing Strategies, LLC, dba Success West
6 Financial, LLC; dba The Economic Freedom
7 Corporation, dba The Economic Freedom
8 Group and dba DBB Marketing Solutions and
9 as the husband of defendant Melissa Sue Odle;

10 PATRICK V. PASSARELLI, individually, and
11 dba F Marketing, LLC; dba Suki Enterprises,
12 LLC; dba Pro Marketing Solutions, and as the
13 husband of defendant Vanessa Fitzgerald;

14 BLAIN E. SCRIBNER, individually, and as an
15 officer/director of Scribner Marketing; Inc. ;
16 managing member of BES Enterprises, LLC
17 dba Franklin Financial Marketing; also dba
18 The Economic Freedom Corporation; dba The
19 Economic Freedom Group; dba DBB
20 Marketing Solutions; dba Success West
21 Financial, LLC, and as the husband of
22 defendant Teresa Jean Scribner;

23 TERESA JEAN SCRIBNER, individually,
24 and as an officer/director of Scribner
25 Marketing, Inc., and as the wife of defendant
26 Blain E. Scribner;

SCOTT D. WALTERS, individually and dba
The Economic Freedom Corporation; dba The
Economic Freedom Group, and dba DBB
Marketing;

JANE AND JOHN DOES 1 – 25

BES ENTERPRISES, LLC, a Wyoming
corporation, dba Franklin Financial Marketing;

CHOICEADZ, LLC, an Arizona corporation;

1 CGF ENTERPRISES, LLC, a Nevada
2 corporation;

3 DRAYCOTT COMPANY, INC., dba
4 Advisor's Choice Network, Inc., a California
5 Corporation;

6 F MARKETING LIMITED LLC, a Nevada
7 corporation, formerly an Arizona corporation;

8 FAST WEBSITE MARKETING, LLC, an
9 Arizona corporation;

10 MS ENTERPRISES, LLC, a Nevada
11 corporation;

12 SAGAMORE MARKETING SOLUTIONS,
13 LLC, an Arizona corporation;

14 SCRIBNER MARKETING, INC., an Arizona
15 corporation;

16 SUKI ENTERPRISES LLC, an Arizona
17 corporation dba True Success Solutions; dba
18 ES Payment Systems aka Easy Street
19 Merchants; dba True Success Business
20 Ventures;

21 ABC CORPORATIONS 1 – 25.

22 Defendants,

23 WELLS FARGO BANK, N.A.;
24 J.P. MORGAN CHASE BANK, N.A.;
25 BANK OF AMERICA, N.A.
26 COMPASS BANK dba BBVA COMPASS;
GLOBAL PAYMENTS, INC.
FIRST DATA CORP, dba MERCHANT
SERVICES; GROUP ISO, INC.

Relief Defendants.

1
2
3 Plaintiff, the State of Arizona, alleges:

4 Defendants have operated a business opportunity telemarketing scheme since January,
5 2009, using numerous business names and business locations to defraud thousands of
6 consumers nationwide. Although the names under which they operate their scam have changed
7 over time, defendants are consistent in their method of operation. For an initial investment of
8 \$500 or less, defendants offer to set up individual web sites through which consumers can
9 purportedly sell various services, including credit card merchant account services, loans to
10 small businesses and/or debt consolidation services. Defendants entice consumers to purchase
11 web sites by promising substantial commissions from sales generated from the consumers'
12 individual web sites.

13 After purchasing a web site, consumers are telephoned by one of defendants' affiliate
14 marketing companies. Using high-pressure sales techniques, defendants convince consumers to
15 spend thousands of dollars on "marketing packages." Defendants represent that they will
16 obtain "leads" - potential customers - who will be directed to the consumer's web site.
17 Defendants promise consumers that the purchase of these leads will assure substantial
18 commissions, sufficient enough to allow them to recoup their investment and earn additional
19 income.

20 Defendants consistently and continuously make misrepresentations and false and
21 deceptive statements to consumers in violation of the Arizona Consumer Fraud Act, A.R.S. §
22 44-1521, *et seq.* No consumer who conducted business with defendants recouped the monies
23 they invested in this scheme. Furthermore, defendants initiate telephone calls to consumers yet
24 failed to comply with the requirements of Arizona's Telephone Solicitation Statute, A.R.S. §
25 44-1271, *et seq.* The racketeering action is brought to obtain treble damages; to prevent,
26 restrain or remedy racketeering as defined by A.R.S. § 13-2301(D)(4); and to forfeit to the

1 State of Arizona all interest in the property described herein, pursuant to A.R.S. § 13-2314 and
2 § § 13-4301, *et seq.*

3 JURISDICTION AND VENUE

4 1. This action is brought pursuant to the Arizona Consumer Fraud Act, A.R.S. § 44-
5 1521, *et seq.* and the Arizona Telephone Solicitations Act, A.R.S. § 44-1271, *et seq.* to obtain
6 injunctive relief, restitution, civil penalties, investigative expenses, costs, attorneys' fees and
7 other relief by reason of the unlawful conduct alleged in this Amended Complaint.

8 2. The Superior Court of Maricopa County has jurisdiction to enter appropriate
9 orders, both prior to and following a determination of liability pursuant to A.R.S. §§ 44-1528,
10 13-2314, including forfeiture and/or restraining orders pursuant to § 13-2314 and § § 13-4301,
11 *et seq.*, particularly § 13-4302.

12 3. Venue is proper in Maricopa County as defendants have transacted business
13 within this county at all material times.

14 4. Defendants have caused events to occur in this state out of which the claims
15 which are the subject of this Amended Complaint arose.

16 PARTIES

17 5. Plaintiff is the State of Arizona, *ex rel.* Thomas C. Horne, Attorney General.

18 Individual Defendants:

19 6. Maurice J. Chelliah, aka Butch Chelliah, is a member of defendant Suki
20 Enterprises, LLC. Defendants Chelliah conducts business using the names ES Payment
21 Systems, Easy Street Merchants, True Success Business Ventures and True Success Solutions.
22 He also is an officer, director and/or owner of defendant Draycott Company, Inc., an Arizona
23 corporation that also conducts business using the name Advisor's Choice Network, Inc. At
24 times material to this Amended Complaint, acting alone or in concert with others, he
25 formulated, directed, controlled, had the authority to control and/or participated in the acts set
26 forth in this Amended Complaint. Defendant Chelliah resides in Orange County, California

1 and, in connection with the matters alleged herein, transacts or has transacted business in this
2 county.

3 7. Defendant Florence N. Chelliah is and, at all relevant times, was the wife of
4 defendant Maurice J. Chelliah who acted on behalf of their marital community with respect to
5 the allegations contained in this Amended Complaint.

6 8. Kyle A. Evans ("Evans") is a member of defendant Fast Web site Marketing,
7 LLC and conducts business using the names CGF Enterprises, My Choice Business Services
8 and Franklin Financial. At times material to this Amended Complaint, acting alone or in
9 concert with others, he formulated, directed, controlled, had the authority to control, and/or
10 participated in the acts set forth in this Amended Complaint. Defendant Evans resides in
11 Maricopa County and, in connection with the matters alleged herein, transacts or has transacted
12 business in this county. He is and, at all relevant times, was the husband of Chalonne M.
13 Foerster. Both defendants acted on behalf of their marital community with respect to the
14 allegations contained in this Amended Complaint.

15 9. Vanessa Fitzgerald ("Fitzgerald") is a member of Suki Enterprises, LLC. She
16 also conducts business using the names ES Payment Systems, Easy Street Merchants and True
17 Success Business Ventures and True Success Solutions. At times material to this Amended
18 Complaint, acting alone or in concert with others, she formulated, directed, controlled, had the
19 authority to control, and/or participated in the acts set forth in this Amended Complaint.
20 Defendant Fitzgerald resides in Maricopa County and, in connection with the matters alleged
21 herein, transacts or has transacted business in this county. She is and, at all relevant times, was
22 the wife of Patrick V. Passarelli. Both defendants acted on behalf of their marital community
23 with respect to the allegations contained in this Amended Complaint.

24 10. Chalonne M. Foerster aka Chalonne Lucas, Chany Foerster, Charline Federal and
25 Chalonne Foerster, is a member of F Marketing Limited, LLC, Suki Enterprises, LLC and the
26 managing member and registered agent of CFM Enterprises, LLC. She was a former member

1 of F Marketing Limited, LLC. Additionally, defendant Chalonne Foerster is an agent of
2 defendant ChoiceAdz, LLC where she maintains a managerial position. She has conducted
3 business using the names ES Payment Systems, Easy Street Merchants, True Success Business
4 Ventures, True Success Solutions, My choice Business Services, CGF Enterprises, and, most
5 recently, Franklin Financial. At times material to this Amended Complaint, acting alone or in
6 concert with others, she formulated, directed, controlled, had the authority to control, and/or
7 participated in the acts set forth in this Amended Complaint. Defendant Chalonne Foerster
8 resides in Maricopa County and, in connection with the matters alleged herein, transacts or has
9 transacted business in this county. She is and, at all relevant times, was the wife of Kyle A.
10 Evans. Both defendants acted on behalf of their marital community with respect to the
11 allegations contained in this Amended Complaint.

12 11. Colleen Foerster is the managing member and registered agent of CGF
13 Enterprises, LLC. She also conducts business using the name Pro Marketing Solutions. At all
14 times material to this Amended Complaint, acting alone or in concert with others, she
15 formulated, directed, controlled, had the authority to control, and/or participated in the acts set
16 forth in this Amended Complaint. Defendant Colleen Foerster resides in Maricopa County and,
17 in connection with the matters alleged herein, transacts or has transacted business in this
18 county.

19 12. Michael Anthony Macera ("Macera") is a member, agent or manager defendant
20 ChoiceAdz, LLC. At times material to this Amended Complaint, acting alone or in concert
21 with others, he formulated, directed, controlled, had the authority to control, and/or participated
22 in the acts set forth in this Amended Complaint. Defendant Mike Macera resides in Maricopa
23 County and, in connection with the matters alleged herein, transacts or has transacted business
24 in this county. He is and, at all relevant times, was the husband of Jane Doe Macera and acted
25 on behalf of their marital community with respect to the allegations contained in this Amended
26 Complaint.

1 13. Don Maguire was a member of Success West Financial, formerly an Arizona
2 corporation. At all times material to this Amended Complaint, acting alone or in concert with
3 others, he formulated, directed, controlled, had the authority to control, and/or participated in
4 the acts set forth in this Amended Complaint. Defendant Don Maguire resides in Maricopa
5 County and, in connection with the matters alleged herein transacts or has transacted business
6 in this county. He is and, at all relevant times, was the husband of Jane Doe Maguire and acted
7 on behalf of their marital community with respect to the allegations contained in this Amended
8 Complaint.

9 14. Robert John Miller ("Miller") is a member of defendant D.W. Scott, LLC and
10 was the registered agent and a manager of The Economic Freedom Corporation. He conducted
11 business using the names The Economic Freedom Group and DBB Marketing Solutions. At
12 times material to this Amended Complaint, acting alone or in concert with others, he
13 formulated, directed, controlled, had the authority to control, and/or participated in the acts set
14 forth in this Amended Complaint. Defendant Miller resides in Maricopa County and, in
15 connection with the matters alleged herein, transacts or has transacted business in this county.

16 15. Melissa Sue Odle, aka Melissa Sue Anderson, aka Melissa Sue Goshorn
17 ("Melissa Odle") currently is a managing member of MS Enterprises, LLC, a member of
18 Sagamore Marketing Solutions, LLC and conducted business using the names Innovative
19 Marketing Strategies, LLC and MSO Enterprises. At times material to this Amended
20 Complaint, acting alone or in concert with others, she formulated, directed, controlled, had the
21 authority to control, and/or participated in the acts set forth in this Amended Complaint.
22 Defendant Melissa Sue Odle resides in Maricopa County and, in connection with the matters
23 alleged herein, transacts or has transacted business in this county. She is and, at all relevant
24 times, was the wife of Brian Scott Odle. Both defendants acted on behalf of their marital
25 community with respect to the allegations contained in this Amended Complaint.

26 16. Brian Scott Odle ("Brian Odle") is a member of ChoiceAdz, LLC; and conducted

1 business using the names Innovative Marketing Strategies, LLC; Success West Financial, LLC,
2 The Economic Freedom Corporation, the Economic Freedom Group and DBB Marketing
3 Solutions. At times material to this Amended Complaint, acting alone or in concert with
4 others, he formulated, directed, controlled, had the authority to control, and/or participated in
5 the acts set forth in this Amended Complaint. Defendant Brian Scott Odle resides in Maricopa
6 County and, in connection with the matters alleged herein, transacts or has transacted business
7 in this county. He is and, at all relevant times, was the husband of Melissa Sue Odle. Both
8 defendants acted on behalf of their marital community with respect to the allegations contained
9 in this Amended Complaint.

10 17. Defendant Pat Passarelli ("Passarelli") is an agent of defendant ChoiceAdz, LLC
11 and CGF Enterprises, LLC. Defendant Pat Passarelli is authorized to accept mail delivered to
12 Post Office Box 5153 in Surprise, Arizona on behalf of CGF Enterprises, LLC and Pro
13 Marketing Solutions and thus facilitates the unlawful activities of the enterprise. He conducted
14 business using the names F Marketing, LLC and Suki Enterprises, LLC. Individually or in
15 concert with others, he formulated, directed, controlled and/or participated in the acts and
16 practices set forth herein. Defendant Passarelli is a resident of Maricopa County, Arizona and,
17 in connection with the matters alleged herein, transacts or has transacted business in this
18 county. He is and, at all relevant times, was the husband of Vanessa Fitzgerald. Both
19 defendants acted on behalf of their marital community with respect to the allegations contained
20 in this Amended Complaint.

21 18. Defendant Blain E. Scribner is an officer/director of Scribner Marketing, Inc. and
22 managing member of BES Enterprises, LLC which conducts business using the name Franklin
23 Financial Marketing. He conducted business using the names The Economic Freedom
24 Corporation, The Economic Freedom Group, DBB Marketing Solutions, and Success West
25 Financial, LLC. Individually or in concert with others, he formulated, directed, controlled
26 and/or participated in the acts and practices set forth herein. Defendant Blain E. Scribner is a

1 resident of Maricopa County, Arizona and, in connection with the matters alleged herein,
2 transacts or has transacted business in this county. He is and, at all relevant times, was the
3 husband of Teresa Jean Scribner. Both defendants acted on behalf of their marital community
4 with respect to the allegations contained in this Amended Complaint.

5 19. Defendant Teresa Jean Scribner is a resident of Maricopa County, Arizona and, in
6 connection with the matters alleged herein, transacts or has transacted business in this county.
7 At all times relevant hereto, defendant Teresa Scribner was an officer and director of Scribner
8 Marketing, Inc. Individually or in concert with others, she formulated, directed, controlled
9 and/or participated in the acts and practices set forth herein. Defendant Teresa Scribner is and
10 was, at all relevant times, the wife of defendant Blain E. Scribner who acted on behalf of their
11 marital community with respect to the allegations contained in this Amended Complaint. She
12 is and, at all relevant times, was the wife of Blain E. Scribner. Both defendants acted on behalf
13 of their marital community with respect to the allegations contained in this Amended
14 Complaint.

15 20. Defendant Scott D. Walters ("Walters") is a resident of Maricopa County,
16 Arizona and, in connection with the matters alleged herein, transacts or has transacted business
17 in this county. At all times relevant hereto, defendant Walters conducted business using the
18 names D.W. Scott LLC, The Economic Freedom Corporation, The Economic Freedom Group
19 and DBB Marketing. Individually or in concert with others, he formulated, directed, controlled
20 and/or participated in the acts and practices set forth herein.

21 21. Defendant BES Enterprises, LLC is a Wyoming corporation that previously was
22 incorporated in Nevada by defendant Blain E. Scribner. Defendant Scribner registered BES
23 Enterprises with the Arizona Secretary of State on December 30, 2010, providing an address of
24 4220 N. 19th Avenue, Phoenix, Arizona. Defendant Scribner dissolved the Nevada business
25 entity on December 27, 2010. BES Enterprises, LLC was incorporated in Wyoming on
26 October 6, 2011. Defendant BES Enterprises, LLC transacts or has transacted business in this

1 county.

2 22. Defendant CGF Enterprises, LLC is a Nevada corporation, incorporated by
3 defendant Colleen Foerster on or about December 27, 2010. Defendant Colleen Foerster
4 registered CGF Enterprises in Arizona as a trade name on December 30, 2010 and provided an
5 address of 4220 N. 19th Avenue in Phoenix, Arizona on the registration. Defendant CGF
6 Enterprises transacts or has transacted business in this county.

7 23. Defendant ChoiceAdz, LLC is an Arizona corporation, incorporated by
8 defendants Brian Odle and Macera on or about June 27, 2011. Defendant ChoiceAdz, LLC
9 transacts or has transacted business in this county.

10 24. Defendant Draycott Company, Inc., dba Advisor's Choice Network, Inc. is a
11 California corporation, incorporated on November 30, 2005 and located at 8181 E. Kaiser
12 Blvd., Anaheim Hills, California. Defendant Draycott Company, Inc. transacts or has
13 transacted business in this county.

14 25. Defendant F. Marketing Limited, LLC, dba F Marketing was incorporated by
15 defendant Chalongne Foerster in Nevada on or about September 2, 2010. Defendant Chalongne
16 Foerster incorporated F Marketing Limited, LLC in Arizona on or about July 1, 2009. The
17 domestic address for F Marketing Limited, LLC is 12630 N. 103rd Avenue, Suite 124 in Sun
18 City, Arizona. Defendant F Marketing Limited, LLC transacts or has transacted business in
19 this county.

20 26. Defendant Fast Website Marketing, LLC was incorporated by defendant Kyle
21 Evans in Arizona on or about February 6, 2012. The domestic address for defendant Fast
22 Website Marketing, LLC is 11734 N. 152nd Drive in Surprise, Arizona. Defendant Fast
23 Website Marketing, LLC transacts or has transacted business in this county.

24 27. Defendant MS Enterprises, LLC is a Nevada corporation, of which defendant
25 Melissa Anderson, aka Melissa Sue Odle is a managing member. The Articles of Organization
26 were filed on December 28, 2010. On December 30, 2010, defendant Melissa Andersen

1 registered MSO Enterprises as a trade name in Arizona, providing the business address of 4220
2 N. 19th Avenue, Phoenix, Arizona. Defendant MS Enterprises, LLC transacts or has transacted
3 business in this county.

4 28. Defendant Sagamore Marketing Solutions, LLC is an Arizona corporation,
5 incorporated in February, 2011. The domestic address for defendant Sagamore Marketing
6 Solutions, LLC is 4220 N. 19th Avenue in Phoenix, Arizona. Defendant Melissa Anderson, aka
7 Melissa Sue Odle is a member of the corporation. Defendant Sagamore Marketing Solutions,
8 LLC transacts or has transacted business in this county.

9 29. Defendant Scribner Marketing, Inc. is an Arizona corporation with a domestic
10 address of 4220 N. 19th Avenue in Phoenix, Arizona. Defendant Teresa Scribner is the
11 president of the corporation and defendant Blain Scribner is the secretary. Defendant Scribner
12 Marketing, Inc. transacts or has transacted business in this county.

13 30. Defendant Suki Enterprises, LLC is an Arizona corporation, incorporated in
14 November, 2006. The domestic address for defendant Suki Enterprises, LLC is 14800 W.
15 Mountain View Blvd, Suite 130 in Surprise, Arizona. Defendant Suki Enterprises has the
16 following trade names registered to it: ES Payment Systems aka Easy Street Merchants; True
17 Success Business Ventures aka True Success Solutions and FSS Payment Systems. Defendant
18 Vanessa Fitzgerald is a manager and defendants Chalonne Foerster and Butch Chelliah are
19 members of the corporation. Defendant Suki Enterprises, LLC transacts or has transacted
20 business in this county.

21 **Relief Defendants**

22 31. Relief Defendant Wells Fargo Bank, whose main office is located in Sioux Falls,
23 South Dakota and who conducts business in Maricopa County, Arizona, is named as a
24 defendant herein solely due to the possible existence in its possession of proceeds of the
25 consumer fraud and racketeering alleged herein. Any reference to defendants does not include
26 Wells Fargo Bank.

1 32. Relief Defendant J.P. Morgan Chase Bank, N.A. whose main office is located in
2 New York, New York and who conducts business in Maricopa County, Arizona, is named as a
3 defendant herein solely due to the possible existence in its possession of proceeds of the
4 consumer fraud and racketeering alleged herein. Any reference to defendants does not include
5 J.P. Morgan Chase Bank, N.A.

6 33. Relief Defendant Bank of America, whose main office is located in Los Angeles,
7 California and who conducts business in Maricopa County, Arizona, is named as a defendant
8 herein solely due to the possible existence in its possession of proceeds of the consumer fraud
9 and racketeering alleged herein. Any reference to defendants does not include Bank of
10 America.

11 34. Relief Defendant Compass Bank, dba BBVA Compass, whose main office is
12 located in Alabama and who conducts business in Maricopa County, Arizona, is named as a
13 defendant herein solely due to the possible existence in its possession of proceeds of the
14 consumer fraud and racketeering alleged herein. Any reference to defendants does not include
15 Compass Bank.

16 35. Relief Defendant Global Payment, Inc., whose main office is located in Atlanta,
17 Georgia and who conducts business in Maricopa County, Arizona, is named as a defendant
18 herein solely due to the possible existence in its possession of proceeds of the consumer fraud
19 and racketeering alleged herein. Any reference to defendants does not include Global Payment,
20 Inc.

21 36. Relief Defendant First Data Corp, dba Merchant Services, whose main office is
22 located in Hagerstown, Maryland, is named as a defendant herein solely due to the possible
23 existence in its possession of proceeds of the consumer fraud alleged herein. Any reference to
24 defendants does not include First Data Corp.

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1 **DEFENDANTS' BUSINESS PRACTICES**

2 37. Defendants operate as a common enterprise while engaging in the deceptive acts
3 and practices and other violations of law alleged in this Amended Complaint. Defendants
4 conducted the business practices described below through interrelated companies that have
5 common ownership, members, managers, office locations and mailing addresses, and that
6 comingled funds. Since these defendants operate as a common enterprise, each of them is
7 jointly and severally liable for the acts and practices alleged below. Further, each individual
8 defendant formulated, directed, controlled, had the authority to control or participated in the
9 acts and practices of the corporate defendants that constitute the common enterprise.

10 **D.W. SCOTT, LLC**

11 38. Starting in September, 2009, Defendants Robert J. Miller and Scott Walters,
12 operating as D.W. Scott, LLC, ("D.W. Scott Defendants"), hired sales representatives who, at
13 the direction of these defendants, initiated telephone calls to consumers, offering to sell a work-
14 at-home, web-based business opportunity at a cost of \$500.00 or less.

15 39. D. W. Scott Defendants purported to design and setup web sites for consumers
16 through which consumers could sell various services including credit card processing, debt
17 consolidation/debt settlement, loan modifications, health insurance and/or small business cash
18 advances.

19 40. D. W. Scott Defendants made various false and deceptive statements in order to
20 induce consumers to purchase their business opportunity, including but not limited to:

21 A. Consumers who purchased a web site from D.W. Scott would earn a
22 commission on all sales made through their web site.

23 B. Consumers were not required to personally conduct any sales solicitations
24 as D.W. Scott would perform all marketing for the consumer;

25 C. D.W. Scott employed a team of people who would assist the consumer in
26 contacting leads;

1 D. D.W. Scott purchased the names of potential customers, i.e. "leads," from
2 Dunn and Bradstreet. The leads were very interested in the various products offered on
3 the individual consumers' web sites;

4 E. D.W. Scott would generate 12 accounts per month for a year for the
5 consumer after a web site was purchased;

6 F. Earnings generated from the web site would exceed its cost.

7 41. Soon after purchasing a web site, consumers received a second call from
8 solicitors employed by D.W. Scott. D. W. Scott Defendants engaged in high-pressure sales
9 tactics to persuade consumers to purchase an "advertising campaign" to promote their
10 individual web sites.

11 42. D. W. Scott Defendants represented to some consumers that they would arrange
12 satellite radio ad programs and/or television advertising, including ads on CNN and CNBC.

13 43. D. W. Scott Defendants represented to other consumers that the advertising
14 campaign would include the purchase of leads that these defendants would contact on behalf of
15 the consumer in order to make sales.

16 44. D. W. Scott Defendants made various false and deceptive income claims,
17 including but not limited to:

18 A. Consumers would receive a 125% return on their investment;

19 B. Consumers were "guaranteed" to recoup their initial investment within a
20 few months;

21 C. Consumers would receive a monthly residual payment from D.W. Scott.

22 45. Consumers who purchased D. W. Scott's business opportunity and advertising
23 services failed to earn any commissions from their web sites.

24 46. Consumers were solicited by D. W. Scott, yet they received invoices from other
25 businesses and corporations involved in the enterprise including DW Scott Financial,
26 Innovative Marketing and Success West Financial.

1 47. Consumers who were solicited by D.W. Scott paid other businesses involved in
2 the enterprise, including Innovative Marketing, operated by defendants Brian Odle, Melissa
3 Sue Odle and Blain E. Scribner, and Success West Financial, operated by defendants Blain
4 Scribner and Brian Odle.

5 48. Defendants received, directly or indirectly, monies, other assets or both, that are
6 traceable to funds paid by consumers who were solicited by D.W. Scott Defendants.

7 49. D.W. Scott, L.L.C. was dissolved in December, 2010; however, D.W. Scott
8 Defendants continued to conduct telephone solicitations under the business name for several
9 months thereafter.

10 50. D.W. Scott Defendants eventually shut off the telephone service previously used
11 by them and changed their business name in an attempt to conceal their true identities from
12 consumers and/or law enforcement agencies.

13 **THE ECONOMIC FREEDOM CORPORATION**

14 51. Defendants Robert J. Miller, Scott Walters, Brian Odle and Blain E. Scribner
15 incorporated the business The Economic Freedom Corporation on June 2, 2010. Defendant
16 Robert J. Miller was the statutory agent and Defendants Brian Odle, Scott Walters and Blain E.
17 Scribner were directors. The business address of The Economic Freedom Corporation was
18 4220 N. 19th Avenue in Phoenix, Arizona.

19 52. Starting on or about the time of the incorporation of The Economic Freedom
20 Corporation, defendants Miller, Walters, Brian Odle and Blain E. Scribner dba The Economic
21 Freedom Group and dba DBB Marketing Solutions ("EFC Defendants"), initiated telephone
22 calls to consumers, offering to sell a work-at-home, web-based business opportunity at a cost of
23 \$500.00 or less.

24 53. EFC Defendants purported to design and setup web sites for consumers through
25 which consumers could sell various services including credit card processing, debt
26

1 consolidation/debt settlement, loan modifications, health insurance and/or small business cash
2 advances.

3 54. EFC Defendants made various false and deceptive statements in order to induce
4 consumers to purchase their web sites, including but not limited to:

5 A. The Economic Freedom Corporation purchased the names of potential
6 customers from Dunn and Bradstreet. These customers were very interested in
7 purchasing the products/services that would be sold on the individual consumers' web
8 sites.

9 B. Consumers who purchased a web site from The Economic Freedom
10 Corporation would earn a commission on all sales made through their web site.

11 C. Consumers would not be required to personally conduct any solicitations
12 as The Economic Freedom Corporation would perform all marketing for the consumer;

13 D. The Economic Freedom Corporation employed a team of people who
14 would assist the consumer;

15 E. After a consumer purchased a web site, The Economic Freedom
16 Corporation would generate 12 new customers per month for a year for the consumer;

17 F. The earnings that consumers would realize from sales of products/services
18 from their web site would exceed its cost.

19 55. Soon after purchasing a web site, consumers received a second call from EFC
20 Defendants who engaged in high-pressure sales tactics to persuade consumers to purchase an
21 "advertising campaign" to promote their individual web sites.

22 56. EFC Defendants represented to some consumers that they would arrange satellite
23 radio ad programs and/or television advertising, including ads on CNN and CNBC to promote
24 their web sites.

25 57. EFC Defendants represented to other consumers that their personal advertising
26 campaigns would include the purchase of leads that these defendants would contact to

1 effectuate sales for the consumer.

2 58. When selling these advertising campaigns to consumers, EFC Defendants made
3 various false and deceptive income claims, including but not limited to:

4 A. Consumers would receive a 125% return on their investment;

5 B. Consumers were "guaranteed" to recoup their initial investment within a
6 few months;

7 C. Consumers would receive a monthly residual payment from EFC
8 Defendants.

9 59. EFC Defendants placed charges on some consumers' credit cards without the
10 consumer's knowledge or authorization.

11 60. Consumers who purchased defendants' web sites and advertising services failed
12 to earn any commissions from their web sites. Consumers consistently notified EFC
13 defendants of the lack of commissions; yet, defendants continued to make false income claims
14 to new, unsuspecting consumers.

15 61. Consumers who purchased defendants' business opportunity and advertising
16 services failed to earn any commissions from their web sites. On numerous occasions,
17 consumers attempted to contact EFC defendants to express their dissatisfaction with their
18 business opportunities and to request a refund of their monies. In some instances, consumers
19 left voice messages that never were returned, or they were told that they had several new
20 accounts "in the pipeline" and monies would be paid shortly, but never appeared. In other
21 instances, consumers discovered that the telephone numbers provided to them by these
22 defendants were disconnected.

23 62. Consumers were solicited by EFC Defendants, yet they received invoices from
24 other businesses and corporations involved in the enterprise, including but not limited to
25 defendants F Marketing, operated by defendants Colleen Foerster and Chalonne Foerster, and
26 Fast Web site Marketing, operated by defendant Kyle Evans.

1 63. Credit card statements of consumers who were solicited by EFC Defendants
2 showed charges placed by other businesses and corporations involved in the enterprises,
3 including, but not limited to, defendants F Marketing and Fast Marketing.

4 64. Defendants received, directly or indirectly, monies, other assets or both, that are
5 traceable to funds paid by consumers who were solicited by D.W. Scott Defendants.

6 65. EFC was dissolved in November, 2010 yet defendants continued to sell business
7 opportunities and associated marketing services, identifying themselves as Economic Freedom
8 for several months thereafter.

9 66. EFC Defendants eventually shut off the telephone service previously used by
10 them and changed their business name in an attempt to conceal their true identities from
11 consumers and/or law enforcement agencies.

12 **F MARKETING/ FAST WEB SITE MARKETING/ INNOVATIVE MARKETING**
13 **STRATEGIES, LLC**

14 67. Defendants Melissa Andersen and Brian Odle incorporated Innovative Marketing
15 Strategies, LLC in the State of Arizona on or about April 13, 2010. Articles of Termination
16 were filed on or about November 9, 2010.

17 68. Defendant Chalongne Foerster incorporated F Marketing Limited, LLC in Arizona
18 on or about June 8, 2009. Articles of Termination were filed on or about October 14, 2010. On
19 or about December 22, 2011, defendant Chalongne Foerster incorporated F Marketing Limited,
20 LLC in Nevada.

21 69. Defendant Kyle Evans incorporated Fast Web site Marketing, LLC in Nevada on
22 or about September, 2010. He registered the foreign corporation in Arizona on or about
23 February, 2012.

24 70. Defendants Melissa Andersen, Brian Odle, Chalongne Foerster, Kyle Evans, F
25 Marketing Limited, LLC and Fast Web site Marketing, LLC initiated telephone calls to
26

1 consumers, offering to sell a work-at-home, web-based business opportunity at a cost of
2 \$500.00 or less.

3 71. These defendants purported to design and setup web sites for consumers through
4 which consumers could sell various services including credit card processing, debt
5 consolidation/debt settlement, loan modifications, health insurance and/or small business cash
6 advances.

7 72. These defendants made various false and deceptive statements in order to induce
8 consumers to purchase a business opportunity, including but not limited to:

9 A. Defendants had the names of individuals who were very interested in
10 purchasing the products that would be sold on the individual consumers' web sites;

11 B. Consumers who purchased a web site would earn commissions on all sales
12 made through their web sites;

13 C. Consumers would not be required to personally conduct any sales
14 solicitations as defendants would perform all marketing for consumers;

15 D. The earnings that consumers would realize from sales of products/services
16 from their web sites would exceed the cost of the web sites.

17 73. Soon after purchasing a web site, consumers received a second call from a
18 representative of these defendants who engaged in high-pressure sales tactics to persuade
19 consumers to purchase "advertising campaigns" to promote their web sites.

20 74. Consumers were told by these defendants that their advertising campaigns
21 included the names of potential customers that would be contacted by defendants to make sales.

22 75. Defendants charged consumers between \$1,500 and \$35,000 for these advertising
23 campaigns.

24 76. When selling advertising campaigns to consumers, EFC Defendants made various
25 false and deceptive income claims, including but not limited to:

26 A. Consumers would receive a 125% return on their investment;

1 B. Consumers were "guaranteed" to recoup their initial investment within a
2 few months;

3 C. Consumers would receive a monthly residual payment from EFC
4 Defendants.

5 77. Consumers who purchased defendants' business opportunity and advertising
6 services failed to earn any commissions from their web sites. On numerous occasions,
7 consumers attempted to contact Fast Marketing, F Marketing and/or Innovative Marketing to
8 express their dissatisfaction with their business opportunities and to request a refund of their
9 monies. In some instances, consumers left voice messages that never were returned. In other
10 instances, consumers discovered that the telephone numbers provided to them by these
11 defendants were disconnected.

12 78. Consumers who conducted business with one of these defendants received
13 invoices from other businesses and corporations involved in the enterprise. Defendants thus
14 were able to conceal their true identities from consumers and/or law enforcement agencies.

15 79. Credit card statements of consumers who were solicited by one of these
16 defendants showed charges placed by one or more of the other defendants and/or businesses
17 involved in the enterprise.

18 **SUKI ENTERPRISES, LLC dba TRUE SUCCESS SOLUTIONS, ES PAYMENT**
19 **SYSTEMS, EASY STREET MERCHANTS and TRUE SUCCESS BUSINESS**
20 **VENTURES; AND DRAYCOTT COMPANY, INC., dba ADVISOR'S CHOICE**
NETWORK, INC.

21
22 80. Starting in or about June, 2010 and continuing to the present, Defendants
23 Vanessa Fitzgerald, Chalonne Foerster, Maurice Chelliah, Suki Enterprises, LLC, all doing
24 business as True Success Solutions, ES Payment Systems, Easy Street Merchants and True
25 Success Business Ventures and Draycott Company, Inc., doing business as Advisor's Choice
26

1 Network, Inc. ("Suki Defendants") initiated telephone calls to consumers, offering to sell a
2 work-at-home, web-based business opportunities at a cost of \$500.00 or less.

3 81. Suki Defendants offered to design and set-up web sites through which consumers
4 could sell credit card processing services to merchants.

5 82. Suki Defendants made various false and deceptive statements in order to induce
6 consumers to purchase their business opportunities, including but not limited to:

7 A. Suki Defendants claimed to sell and design web sites through which
8 business consumers could obtain a merchant account which charged a lower interest rate
9 than most banks;

10 B. Consumers who purchased a web site from Suki Defendants would earn
11 substantial commissions totaling thousands of dollars on all sales made through their
12 web site;

13 C. Consumers were not required to personally conduct any sales solicitations
14 as Suki Defendants would perform all marketing for the consumer;

15 D. The earnings that consumers would realize from sales of products/services
16 from their web site would exceed the cost.

17 83. Soon after purchasing a web site, consumers received a second call from Suki
18 Defendants. During this solicitation, these defendants engaged in high-pressure sales tactics to
19 persuade consumers to purchase "advertising campaigns" to promote their individual web sites.
20 Suki Defendants made various false and deceptive statements in order to induce consumers to
21 purchase their advertising campaigns, including but not limited to:

22 A. Suki Defendants represented to consumers that their advertising campaigns
23 would include the purchase of leads that defendants would contact on behalf of the
24 consumer in order to make sales;

25 B. Suki Defendants would send out "email blasts" to obtain clients for
26 consumers who purchased web sites;

1 C. Suki Defendants would contact businesses referred to them by Dunn and
2 Bradstreet to obtain clients for consumers who purchased web sites;

3 84. Consumers paid between \$5,000 and \$35,000 or more for these advertising
4 packages.

5 85. Suki Defendants placed charges on some consumers' credit cards without the
6 consumers' knowledge or authorization.

7 86. Although consumers were solicited by one of the Suki Defendants, they received
8 invoices from other businesses and corporations involved in the enterprise, including but not
9 limited to My Choice Business Services, MS Enterprises, Inc. and CGF Enterprises, Inc.

10 87. Credit card statements of consumers who were solicited by Suki Defendants
11 showed charges placed by other businesses and corporations involved in the enterprises.

12 88. Defendants received, directly or indirectly, monies, other assets or both, that are
13 traceable to funds paid by consumers who were solicited by Suki Defendants.

14 89. When dealing with some consumers, Suki Defendants changed their business
15 names and telephone numbers in an attempt to conceal their true identities from consumers
16 and/or law enforcement agencies.

17 **MY CHOICE BUSINESS SERVICES/MS ENTERPRISES, LLC/CGF ENTERPRISES,**
18 **LLC**

19 90. In early 2011, defendants Chalonne M. Foerster and Kyle A. Evans began selling
20 business opportunities to consumers using the name My Choice Business Services. Defendants
21 Foerster and Evans operated this business at 14800 W. Mountain View Blvd, Suite 130 in
22 Surprise, Arizona.

23 91. On December 27, 2010, defendant Colleen Foerster incorporated CGF
24 Enterprises, LLC in Nevada. On January 5, 2011 defendant Colleen Foerster registered the
25 trade name CGF Enterprises with the Arizona Secretary of State. The address provided by
26 Defendant Colleen Foerster for CGF Enterprises was 4220 N. 19th Avenue in Phoenix, Arizona.

1 92. On December 28, 2010, defendant Melissa Sue Andersen incorporated MS
2 Enterprises, LLC in Nevada. On December 30, 2010 defendant Mellissa Sue Andersen
3 registered the trade name MSO Enterprises with the Arizona Secretary of State. The address
4 provided by defendant Melissa Sue Andersen for MSO Enterprises was 4220 N. 19th Avenue in
5 Phoenix, Arizona.

6 93. Defendants Chalonne M. Foerster and Kyle A. Evans, dba My Choice Business
7 Services sold business opportunities, purporting to design and setup web sites for consumers
8 through which consumers could sell various products and services, including but not limited to
9 merchant services, mortgage lending, cash advance loans and land banking.

10 94. Defendants Chalonne M. Foerster and Kyle A. Evans, dba My Choice Business
11 Services made various false and deceptive statements in order to induce consumers to purchase
12 their business opportunity, including but not limited to:

13 A. Consumers who purchased the program from defendants Chalonne M.
14 Foerster and Kyle A. Evans, dba My Choice Business Services would earn a
15 commission on all sales made;

16 B. Consumers would not be required to personally conduct any sales
17 solicitations as defendants Chalonne M. Foerster and Kyle A. Evans, dba My Choice
18 Business Services would perform all marketing for the consumer;

19 C. Defendants Chalonne M. Foerster and Kyle A. Evans, dba My Choice
20 Business Services employed a team of people who would assist the consumer;

21 D. The earnings that consumers would realize from sales of products/services
22 from their web site would exceed the consumers' cost.

23 95. Consumers paid between \$5,000 and \$25,000 for the program marketed by
24 defendants Chalonne M. Foerster and Kyle A. Evans, dba My Choice Business Services.

25 96. Although consumers were solicited by defendants Chalonne M. Foerster and Kyle
26 A. Evans, dba My Choice Business Services, consumers received invoices for their purchases

1 from MS Enterprises, LLC with an address of either 14800 W. Mountainview Blvd., #130 in
2 Surprise, Arizona or P.O. Box 5153, Sun City West, Arizona 85376.

3 97. Consumers who were solicited by defendants Chalonne M. Foerster and Kyle A.
4 Evans, dba My Choice Business Services, received charges on their credit cards by either
5 Melissa Sue Anderson dba MS Enterprises, LLC or Colleen Foerster dba CGF Enterprises,
6 LLC.

7 98. In some instances, consumers who were solicited by defendants Chalonne M.
8 Foerster and Kyle A. Evans, dba My Choice Business Services, received "Advertising
9 Fulfillment Disclosure" documents from Colleen Foerster dba CGF Enterprises, LLC.

10 99. Defendants received, directly or indirectly, monies, other assets or both, that are
11 traceable to funds paid by consumers who were solicited by defendants Chalonne M. Foerster
12 and Kyle A. Evans, dba My Choice Business Services.

13 100. Defendants Chalonne M. Foerster and Kyle A. Evans, dba My Choice Business
14 Services never provided a business address to the consumers with whom they conducted
15 business but, instead, used the business names and telephone numbers of MS Enterprises, LLC
16 and/or CGF Enterprises, LLC in an attempt to conceal their true identities from consumers
17 and/or law enforcement agencies.

18 **BES ENTERPRISES, LLC; CGF ENTERPRISES, LLC; MS ENTERPRISES, LLC**
19 **CFM ENTERPRISES, LLC; CFO ENTERPRISES, LLC; FRANKLIN FINANCIAL**
20 **SERVICES and DRAYCOTT COMPANY, INC. dba ADVISOR'S CHOICE**
21 **NETWORK, INC.**

22 101. Using various names, including but not limited to Economic Freedom
23 Corporation, My Choice Business Services, My Choice Business Solutions and Franklin
24 Financial, defendants Blaine E. Scribner, BES Enterprises, Inc., Colleen Foerster, CGF
25 Enterprises, Inc., Melissa Sue Andersen, MS Enterprises, Inc., Chalonne Foerster, CFM
26 Enterprises, Inc., ChoiceAdz, LLC, Maurice J. Chelliah and Draycott Company, Inc., dba

1 Advisor's Choice Network, Inc. ("My Choice Defendants") purported to design and setup web
2 sites for consumers through which consumers could sell credit card processing services.

3 102. My Choice Defendants made various false and deceptive statements in order to
4 induce consumers to purchase their business opportunity, including but not limited to:

5 A. Consumers who purchased a web site from My Choice Defendants would
6 earn a commission on the sale of all credit card processing equipment sold through their
7 web sites and a percentage of all sales made through the credit card processing
8 equipment that they sold ;

9 B. Consumers were not required to personally conduct any sales solicitations
10 as My Choice Defendants would perform all solicitations on behalf of the consumer;

11 C. My Choice Defendants would generate several accounts every month for
12 consumers who purchased the web site;

13 D. Consumers would recover the cost of the web site and marketing services
14 from their earnings.

15 103. Consumers who purchased defendants' business opportunity and advertising
16 services failed to earn any commissions from their web sites.

17 104. My Choice Defendants received, directly or indirectly, monies, other assets or
18 both, that are traceable to funds paid by consumers who were solicited by My Choice
19 Defendants.

20 105. My Choice Defendants changed their business names and telephone numbers in
21 an attempt to conceal their true identities from consumers and/or law enforcement agencies.

22 **SAGAMORE MARKETING SOLUTIONS**

23 106. Defendant Sagamore Marketing Solutions, LLC ("Sagamore Marketing") was
24 incorporated in Arizona by defendant Melissa Andersen in December, 2011. Defendant
25 Andersen is the statutory agent and sole member of defendant Sagamore Marketing.

26 107. Defendants Sagamore Marketing and Andersen received and disbursed funds that

1 can be traced directly to defendants' unlawful acts and practices alleged below.

2 **SCRIBNER MARKETING, INC.**

3 108. Defendant Scribner Marketing, Inc. was incorporated in Arizona by defendants
4 Teresa Scribner and Blain Scribner in May, 2003.

5 109. Defendants Scribner Marketing, Teresa Scribner and Blain Scribner received and
6 disbursed funds that can be traced directly to defendants' unlawful acts and practices alleged
7 below.

8 **FIRST CLAIM FOR RELIEF:**
9 **VIOLATIONS OF THE ARIZONA CONSUMER FRAUD ACT**
10 **A.R.S. § § 44-1521, *et seq.***

11 110. Plaintiff realleges the prior allegations of the Amended Complaint as if set forth
12 fully herein.

13 111. In connection with the advertisement and sale of web sites and marketing to
14 support those internet-based businesses, defendants engaged and continue to engage in the act,
15 use or employment of deception, deceptive acts or practices, fraud, false pretenses, false
16 promises, misrepresentations or the concealment, suppression or omission of material facts with
17 the intent that consumers rely upon such concealment, suppression or omission, including but
18 not limited to the following:

19 112. Defendants make false, deceptive and misleading statements regarding the total
20 amount of money that consumers will be asked to spend on defendants' web sites and
21 marketing services;

22 113. Defendants make false, deceptive and misleading claims to consumers regarding
23 the marketability of the services that they allegedly offer on the web sites sold to consumers;

24 114. Defendants make false, deceptive and misleading claims to consumers regarding
25 the profitability of selling products and/or services through their web sites;

26 115. Defendants make false, deceptive and misleading claims to consumers regarding

1 the effectiveness of their marketing services and the increased earnings that consumers would
2 realize by purchasing these services;

3 116. Defendants make false, deceptive and misleading claims to consumers regarding
4 their ability to obtain full refunds if their earnings did not equal or exceed their expenses in
5 purchasing a web site.

6 **SECOND CLAIM FOR RELIEF**
7 **VIOLATIONS OF THE ARIZONA TELEPHONE SOLICITATIONS ACT**
8 **A.R.S. § § 44-1271 *et seq.***

9 117. Plaintiff realleges the prior allegations of the Amended Complaint as if set forth
10 fully herein.

11 118. Defendants conducted "telephone solicitation sales" as defined under the Arizona
12 Telephone Solicitations Act ("TSS"), A.R.S. §§ 44-1271, *et seq.* The TSS requires all
13 solicitors who initiate telephone calls to provide merchandise to consumers in exchange for
14 payment to (1) file a verified registration statement with the Arizona Secretary of State before
15 any solicitations are made; (2) file a one hundred thousand dollar (\$100,000.00) bond with the
16 Arizona State Treasurer and (4) provide specified disclosures to each consumer, including a
17 three-day Notice of Cancellation allowing consumers to cancel their order without any penalty
18 within three business days from the delivery of the merchandise.

19 119. Defendants did not file a registration statement with the Arizona Secretary of
20 State.

21 120. Defendants did not file a bond in the amount of one hundred thousand dollars
22 (\$100,000.00) with the Arizona State Treasurer.

23 121. Defendants fail to disclose to consumers their street address and legal name as
24 required by A.R.S. § 44-1276.

25 122. Defendants fail to disclose that the consumer may cancel the telephone
26 solicitation sale up to midnight of the third business day after the receipt of the merchandise as

1 required by A.R.S. § 44-1276.C.

2 123. Defendants fail to provide consumers with the "Notice of Cancellation" specified
3 by A.R.S. §§ 44-1276.D.

4 **THIRD CLAIM FOR RELIEF**
5 **VIOLATIONS OF ARIZONA ORGANIZED CRIME, FRAUD**
6 **AND TERRORISM ACT**

7 124. Plaintiff realleges the prior allegations of the Amended Complaint as if set forth
8 fully herein.

9 125. Defendants engaged in acts constituting the illegal conduct of an enterprise by
10 associating with an enterprise and conducting the enterprise's affairs through racketeering, or
11 directly or indirectly participating in the conduct of the enterprise that the defendants knew was
12 being conducted through racketeering, in violation of A.R.S. § 13-2312 and 13-2314 *et seq.*

13 126. Defendants engaged in acts constituting a scheme or artifice to defraud, theft and
14 money laundering or, alternatively, participated directly or indirectly in the conduct of an
15 enterprise that they knew was being conducted through a scheme or artifice to defraud, theft
16 and money laundering. Defendants acquired proceeds from racketeering in excess of
17 \$10,000,000.

18 **FOURTH CLAIM FOR RELIEF**
19 **Deceptive Use of Name**
20 **A.R.S. § 44-1221**

21 127. Defendants consistently deceived consumers by misrepresenting their
22 geographical location of their businesses when conducting business in violation of A.R.S. § 44-
23 1221(A). A various times Defendants represented to consumers that their businesses were
24 located in Nevada or Wyoming. Defendants used various addresses in those states on
25 documents provided to consumers. However, in all cases those addresses were private mail
26 boxes and/or "executive suites" whose only purpose was to collect and forward mail to

1 Defendants, and mislead consumers about the location of the business. At all times Defendants
2 were actually located within the state of Arizona.

3 128. Defendants' deceptive actions constitute a violation of the Arizona Consumer
4 Fraud Act, A.R.S. § 44-1522.

5 **FIFTH CLAIM FOR RELIEF**

6 129. While engaging in the acts and practices alleged in this Amended Complaint,
7 defendants were at all times acting willfully as provided by A.R.S. § 44-1531.

8 **REQUEST FOR RELIEF**

9
10 WHEREFORE, Plaintiff, State of Arizona *ex rel.* Thomas C. Horne, Attorney General,
11 respectfully requests that this Court:

12 1. Issue a temporary restraining order, preliminary and permanent injunction,
13 enjoining and restraining defendants and each of them, their officers, agents, servants,
14 employees and attorneys and all persons in active concert or participation with them, directly or
15 indirectly, from:

16 A. Engaging in any conduct in violation of the Arizona Consumer Fraud Act,
17 A.R.S § 44-1522, *et seq.*, the Arizona Telephone solicitations Act, A.R.S. § 44-1272, *et*
18 *seq.*, and the Arizona Organized Crime, Fraud and Terrorism Act, A.R.S. § 13-2301, *et*
19 *seq.*

20 B. Engaging in, receiving any remuneration of any kind whatsoever from,
21 holding any ownership interest, share or stock in, or serving as an officer, director,
22 manager, member, agent, servant and/or employee of any business entity engaged, in
23 whole or in part, in the sale of any :

24 i. goods or services to any consumer for the purpose of enabling said
25 consumer to start or operate a business;
26

1 ii. goods or services to any consumer for the purpose of enabling said
2 consumer to market or promote a business;

3 C. Engaging in, receiving any remuneration of any kind whatsoever from,
4 holding any ownership interest, share or stock in, or serving as an officer, director,
5 manager, member, agent, servant and/or employee of any business entity engaged, in
6 whole or in part, in the sale of web sites and/or marketing programs for the promotion of
7 web sites;

8 D. Engaging in any business in Arizona that includes outbound telemarketing
9 as a means to generate sales;

10 E. Contacting any consumer, by any means, for the purpose of selling:

11 i. goods or services to any consumer for the purpose of enabling said
12 consumer to start or operate a business;

13 ii. goods or services to any consumer for the purpose of enabling said
14 consumer to market or promote a business;

15 F. Entering into or continuing any contract or agreement, written or oral,
16 formal or informal, with any consumer for the purpose of selling:

17 i. goods or services to any consumer for the purpose of enabling said
18 consumer to start or operate a business;

19 ii. goods or services to any consumer for the purpose of enabling said
20 consumer to market or promote a business;

21 G. Engaging in any collection efforts against consumers who previously
22 agreed to purchase products and/or services from defendants;

23 H. Receiving any monies, in any form, from any consumer who responds to
24 any solicitation referenced in this Amended Complaint;

25 I. Transferring, receiving, dissipating, altering, selling, pledging, assigning,
26 encumbering, expending, liquidating or otherwise disposing of any assets, funds or

1 property, including bank accounts and the contents of safety deposit boxes, owned,
2 controlled or in the possession of any named defendant, their officers, agents, servants,
3 employees and attorneys and all persons in active concert or participation with them, to
4 the extent that such assets, funds or property was acquired by means of the unlawful
5 conduct alleged in this Amended Complaint;

6 J. Destroying, concealing, defacing or otherwise altering or disposing of any
7 books, records, accounts, mail, papers, memos or any other documents or things of any
8 kind or nature of or relating to the business or financial affairs of Defendants;

9 K. Providing to any person, including any natural person or his legal
10 representative, any partnership, domestic or foreign corporation, any company, trust,
11 business entity or association, any agent, employee, salesman, partner, officer, director,
12 member, stockholder, associate or trustee, other than a law-enforcement agency, the
13 name address, telephone number and/or credit card of bank account number of any
14 consumer who provided such information to or did business with the defendants, their
15 successors, assigns, agents, employees, officers, servants and persons who acted in
16 concert or participation with them.

17 L. Engaging in the acts and practices alleged in this Amended Complaint.
18 A.R.S. § 44-1528.A.1.

19 2. Enter an order requiring Defendants to restore to all persons any money or
20 property, real or personal, which was acquired by means of any and all unlawful practices
21 alleged herein. A.R.S. § 44-1528A.2.

22 3. Enter an order requiring Defendants to pay civil penalties in an amount of
23 \$10,000 for each willful violation of the Arizona Consumer Fraud Act. A.R.S. § 44-1531.

24 4. Enter an order rescinding each and every sale effectuated by those Defendants
25 which was not registered under the Arizona Telephone Solicitation Statute and allowing
26

1 consumers who purchased from Defendants to recover all financial damages caused by said
2 unregistered Defendants. A.R.S. § 44-1279.

3 5. Enter an order that Defendants pay, jointly and severally, treble damages to all
4 persons injured by reason of Defendants' acts of racketeering, pursuant to A.R.S. § 13-2314.

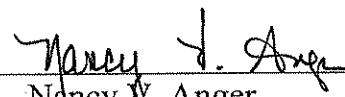
5 6. Enter an order requiring Defendants to pay the State's attorneys' fees and costs.
6 A.R.S. § 44-1534.

7 7. Enter an order providing that this Court retain jurisdiction of this action in order
8 to implement and carry out the terms of all orders and decrees that may be entered herein, and
9 in order to entertain any suitable applications or motions by plaintiffs for additional relief
10 within the jurisdiction of the Court.

11 8. Enter orders for such other and further relief as provided by the Arizona
12 Consumer Fraud Act, A.R.S. § § 44-1521 *et seq.*, the Arizona Telephone Solicitation Act,
13 A.R.S. § § 44-1721, *et seq.* and the Arizona Organized Crime, Fraud and Terrorism Act, A.R.S.
14 § 13-2301, *et seq.*

15 RESPECTFULLY SUBMITTED this 9th day of July, 2012.

17 THOMAS C. HORNE
18 Attorney General

19
20 
21 Nancy J. Anger
22 Assistant Attorney General
23 Attorneys for Plaintiff

24 2787554